

Message Text

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62

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 SPC-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-02 SS-20 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

IO-14 NEA-10 L-03 H-03 PA-04 USIA-15 PRS-01 DRC-01

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R 290830Z MAR 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2288

INFO AMEMBASSY TOKYO

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USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 4/30/74

TAGS: EAID, EFIN, JA

SUBJECT: PROPOSED BORROWING FROM EXPORT-IMPORT BANK OF JAPAN

1. AT MEETING MARCH 28, ADB PRESIDENT INFORMED BOARD OF DIRECTORS THAT HE IS IN PROCESS OF ARRANGING 15-YEAR YEN TERM LOAN OF US \$25,000,000 EQUIVALENT FROM EX-IM BANK OF JAPAN. INTEREST RATE IS TO BE 7-1/4 PERCENT FLAT WITHOUT COMMISSION OR COMMITMENT FEE. LOAN PROCEEDS ARE TO BE COMPLETELY UNTIED AND WILL BE RESTRICTED TO "LOAN DISBURSEMENT PURPOSES" ONLY, I.E. FUNDS TO BE DRAWN ONLY WHEN NEEDED.

2. IN ORDER TO NEGOTIATE DETAILED TERMS AND CONDITIONS, PRESIDENT WILL BE TOKYO NEXT WEEK, AND BOARD PAPER ON LIMITED OFFICIAL USE

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SUBJECT WILL BE DISTRIBUTED BY APRIL 8, 1974. PRESIDENT

HAS REQUESTED DISPENSATION OF USUAL "THREE-WEEK RULE" BASED ON URGENT TIMING REQUIREMENT TO FINALIZE THIS ARRANGEMENT. THEREFORE, BOARD WILL BE REQUESTED TO FORMALLY CONSIDER AND APPROVE PROPOSED YEN BORROWING ON APRIL 18.

3. PRESIDENT FURTHER INFORMED DIRECTORS THAT IDB HAS ALREADY BORROWED US \$82 MILLION EQUIVALENT IN YEN FROM SAME INSTITUTION AND IS CURRENTLY NEGOTIATING TO FINALIZE AN ADDITIONAL BORROWING OF US\$25 MILLION UNDER APPROX. SAME TERMS AS DESCRIBED IN PARA 1.

4. BASED ON ADB FUNDS REQUIREMENT OF 1974, BORROWING AT ATTRACTIVE INTEREST RATE SEEMS WARRANTED. CONSIDERING CURRENTLY ADVERSE CONDITION IN LONG-TERM CAPITAL MARKET, USADB SUPPORTS MANAGEMENT'S DESIRE TO FINALIZE PROPOSED BORROWING AT REASONABLE INTEREST COST.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 29 MAR 1974
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Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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EO Systematic Review
30 JUN 2005

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TAGS: EAID, EFIN, JA, ADB-1, XMB
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Type: TE
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